Effect of recessionary trends on Tax collections

*51. SHRIMATI SYEDA ANWARA TAIMUR:
SHRI VIJAY JAWAHARLAL DARDA:

Will the Minister of FINANCE be pleased to state:

(a) whether Government have realised the revised tax target of Rs.3.45 lakh crore during 1st April, 2008 and 31st March, 2009;

(b) if so, whether the recessionary trends resulting in shrinkage of export orders or piling up of inventory of finished goods in the third and fourth quarters of the fiscal have adversely affected tax collections; and

(c) if so, what is the percentage-wise impact on exports, manufacturing and services sectors?

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE): (a) to (c) During the Financial Year 2008-09, Government's revenue collection was as follows:-

(Rupees in crores)

S.No.	Nature of Duty / Tax	Budget Estimate	Revised Estimate	Provisional collection
A	Direct Taxes	3,65,000	3,45,000	3,38,212
B	Indirect Taxes	3,21,264	2,81,359	2,69,879
C	TOTAL :	6,86,264	6,26,359	6,08,091

This lower collection performance under indirect taxes, *vis-a-vis* estimates, was occasioned by both, the Government's foregoing of revenues of over Rs.40,000 crores to provide fiscal stimulus to the economy, as also the economic slowdown resulting from the global financial meltdown and consequent economic recession in developed economies. The direct tax collections were only slightly adrift of the Revised Estimate finalised.

The global meltdown affected India's export performance and a sample survey conducted by the Department of Commerce (during August'08 -April'09) for 648 exporting units located across the country, in sectors including Textile, Leather, Engineering, Gems & Jewellery, Food processing including Fruits & Vegetables and Spices, Minerals, Marine products etc. revealed that there had been loss of export orders to the tune of Rs.8,982 crores. According to statistics provided by the Director General of Foreign Trade (DGFT), exports in US$ terms during April - October'08 grew by over 24%, Thereafter, during November'08 - March'09 export growth fell sharply to (-)21.5%. The decline in exports may have resulted in a shrinkage in export orders and increase in inventory of finished goods.

During the year 2008-09, the Index of Industrial Production (IIP) for the manufacturing sector registered a growth rate ranging between 4.5 to 6.9% during the first 4 months. However, after July, it declined except for the month of September 2008. During the last quarter, the growth rate was mostly negative. Month-wise growth rates for the year 2008-09 are given below:-

Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Average
6.7	4.5	6.1	6.9	1.7	6.2	-0.6	2.7	-0.6	1.0	-0.9	-1.6	2.5

Revenue collections from Service Tax in 2008-09 showed a steady decline over the corresponding periods of 2007-08. The quarter-wise growth rates were as follows:-

First Quarter	33%
Second Quarter	30%
Third Quarter	17%
Fourth Quarter	3%

This decline is an indication of shortfall in the growth of the Service Sector in the 3rd & 4th Quarters.

Establishment of New Colleges

*52. SHRI ABDUL WAHAB PEEVEE: Will the Minister of HUMAN RESOURCE DEVELOPMENT be pleased to state:

(a) whether there is any proposal to open new colleges in near future in educationally backward districts;

(b) if so. how many colleges are likely to be set up in minority dominated districts;

(c) whether such districts have been identified; and

(d) if so, the details thereof?

THE MINISTER OF HUMAN RESOURCE DEVELOPMENT (SHRI KAPIL SIBAL): (a) to (d) There is a proposal to launch a new scheme with Central-State funding for establishment of one model degree college in each of the 374 identified educationally backward districts having Gross Enrolment Ratio (GER) lower than the national GER. These include 62 districts identified by the Ministry of Minority Affairs as minority concentration districts where the population of the minority group is over 20% on the basis of the 2001 census data on population, and have poor socio-economic indicators and basic amenities indicators, 17 districts where minorities constitute 20% or more of the population and 36 districts which are dominated by those who are religious minorities nationally but are a majority in the respective States.

During the remaining period of the XI Plan, subject to the approval of the competent authority, the Central Government proposes to provide some financial assistance for establishing 200 model colleges, in consultation with the concerned State Governments.

Strained existing facilities by Private Airlines

*53. SHRI AMIR ALAM KHAN: Will the Minister of CIVIL AVIATION be pleased to state: